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09/540,035

03/31/2000

Jay S Walker

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EXAMINER

POINVIL, FRANTZY

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/540,035
Filing Date: March 31, 2000
Appellant(s): WALKER ET AL.

Michael Downs
For Appellant

SUPPLEMENTAL EXAMINER'S ANSWER

This is in response to the appeal brief filed 9/7/2007 appealing from the Office action mailed 8/25/2006.

This Supplemental Examiner's Answer contains a new ground of rejection set forth below.

Appellant must within **TWO MONTHS** from the date of this Supplemental Examiner's Answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct. The changes are as follow. Claims 31-33, 36-38, 46, 47 and 49-50 are now rejected under 35 U.S.C. 101.

NEW GROUND(S) OF REJECTION

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 31-33, 36-38, 46, 47 and 49-50 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In *re Bilski et al*, 88 USPQ 2d 1385 CAFC (2008); *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 31-33, 36-38, 46, 47 and 49-50 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Note the Board of Patent Appeals Informative Opinion *Ex parte Langemyer et al*.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,732,398

Tagawa

3-1998

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 31-33, 36-40 and 43-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tagawa (US Patent No. 5,732,398).

As per claims 31-33, 36-40 and 43-45, Appellant argues that the Examiner does not indicate the order of the occurrence of the claimed limitation and fails to provide explanations as to what teaching or suggestion in Tagawa either alone or in combination with any other reference, teaches or suggests the limitations of claims 31, 36 and 43-45 or the order in which they are performed.

In response, as per claims 31, 33, 36, 38, 43 and 45, the Examiner disagrees with the Appellant's assertion. The Examiner has indicated that Tagawa teaches all the claimed features with the obvious difference being the order of the occurrence of the actual buying/selling of the products to the customer. Tagawa is directed to a system and method for selling a plurality of products/services to a customer. Tagawa discloses a system and method in which a customer searches a product/or service, obtains a list or category of products/services and orders/buys a selected product/service based on the description of the product/or service. Thus, Tagawa

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teaches a determining step to determine a sale price based on a product description as Tagawa further teaches the purchasing of an airline ticket (being a "coach" or "first class"), the rental of a hotel room or vehicle or the purchasing of a tour being one of a budget, mid-range or deluxe package, each being with a different price. See column 16, lines 55-66; column 17, lines 39-65 of Tagawa. The different prices of the products denote a sale price based on a product description. The customer then pays for the selected product/service. Appellant is directed to column 5, line 17-32 and column 6, lines 6-16 of Tagawa. The Examiner asserts that if a customer selects and buys a product/service, an agreement to purchase the product/service at a sale price was made between the customer and the seller. Thus, Tagawa teaches functions of a customer making an agreement to purchase a selected product/service at a sale price. The steps are not in the claimed order that "after the receiving step, a selecting step to select a particular product to be sold to the customer among a plurality of different products conforming to the product description". The Examiner asserts that the order of these functions is left to the individual businessperson having a desire to operate his/her business in this manner. Such does not require any steps to be performed or does not limit the claim to a particular structure, and thus attributes to no patentable difference apart from Tagawa. Furthermore, there appears to be no clear or significant advantages of so doing over Tagawa as such would have been left to the user/owner of the system of Tagawa.

Claims 32, 37, 39, 40 and 44 contain limitations recited in claims 31, 36 and 43 in different language and these limitations are rejected under a similar rationale.

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Tagawa teaches a receiving step to receive from the consumer an agreement to purchase a product conforming to the product description for the sale price (column 18, lines 33-46 and column 13, line 33 to column 14, line 63) but not prior to revealing the identity of a specific product to the customer.

As per the functions of transmitting a step to transmit redemption information, the redemption information identifying the specific product, Tagawa discloses providing a voucher to a buyer of an airline ticket. See figure 15 of Tagawa. The limitation of “wherein the customer is not guaranteed what specific product will be purchased before the agreement is received” does not require a specific step or structure and thus does not attribute to any patentable differences apart from Tagawa. Furthermore, there appears to be no clear or significant advantages of “wherein the customer is not guaranteed what specific product will be purchased before the agreement is received” over Tagawa as such would have been left to the user of the system of Tagawa.

As per claims 46-48, Tagawa teaches a system and method of selling products/services to a potential customer. See the abstract. As per the features of “a single sales price applicable to each of the two or more products for the single sale price”, Tagawa teaches airline tickets with different seat numbers or “room rates (i.e., same price for all room categories)”. See column 13, lines 33-37 of Tagawa. The step of presenting of the plurality of rooms to the customer having the same price as taught by Tagawa is similar to the claimed step of transmitting to the customer an offer to buy an undisclosed one of the two or more products for the single sale price.

The claimed step of receiving a product description being descriptive of two or more products from a plurality of available products is similar to a customer providing a description of desiring to book for an airline ticket (being “coach” or “first class” thus being two or more products description with each being a different seat number). The product description may also be a hotel room wherein the hotel room may be a descriptive information of a hotel category (such as budget, mid-range or deluxe, see column 12, line 45 to column 13, line 10) having various types of rooms with the same or different prices (therefore being descriptive of two or more products). (see column 13, lines 33-37). Throughout the disclosure of Tagawa, Tagawa teaches revealing the identity of an undisclosed product to a customer.

The only difference between Tagawa and the claimed invention is the order of the occurrences of the claimed steps involving the claimed invention and the teachings of Tagawa in that Tagawa does not explicitly teach “selling the undisclosed one of the two or more products to the customer for the single sales price and to reveal the identity of the undisclosed one of the two or more products to the customer”.

The Examiner asserts that the order of these functions is left to the individual businessperson having a desire to operate his/her business in this manner. Such does not require any steps to be performed or does not limit the claim to a particular structure, and thus attributes to no patentable difference apart from Tagawa. Furthermore, there appears to be nor clear or significant advantages of so doing over Tagawa as such would have been left to the user of the system of Tagawa.

As per claims 31-33, 36-40 and 43-48, Appellant's representative argues that Tagawa fails to teach or suggest the claimed invention as a whole and cites Stratoflex, Inc. v. Aeroquip

Corp., 713 F.2d 1530, 218 USPQ 871 (Fed. Cir. 1983); *Schenck v. Norton Corp.*, 713 F.2d 782, 218 USPQ 698 (Fed. Cir. 1983)” in support of their argument.

In response, the Examiner notes that if a user or customer does not satisfy with a presented product among the plurality of different products for selection, then a new agreement would be subsequently be made between the buyer and seller by presenting another product among the plurality of different products to the buyer. Thus the steps of the claimed invention do not attribute to any patentable differences as such would have been left to the negotiation process between a buyer and a seller during a particular time or transaction. Thus, the order of presentment of the product to purchase adds no patentable differences apart from Tagawa.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the Appellant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the Appellant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 49-50 are rejected under 35 U.S.C. 102(e) as being anticipated by Tagawa (US Patent No. 5,732,398).

As per claim 49 Tagawa is directed to a system and method for selling products/services to a customer. The system and method comprise one or more customers accessing a reservation system such as the system of Tagawa wherein one or more customers may inquire information

regarding one or more products having one or more sales prices. It should be noted that the system of Tagawa includes one or more products having one or more sales prices that one more customers may be interested to purchase. Tagawa will sell the product (such as renting of a hotel room or a vehicle or purchasing an airline ticket) to the one or more customer by selling the product or hotel room or vehicle or airline ticket for the intended sales price related to the particular hotel room, vehicle or airline ticket from the plurality of products to the one or more customer.

As per claim 50, Tagawa teaches having room rates (i.e., same price for all room categories). See column 13, lines 33-37 of Tagawa.

Appellant's representative then argues that claims 49-50 claim receiving two different product descriptions for the same product and based on these descriptions, determining two different prices for the same product and that such is not present in Tagawa.

The Examiner respectfully disagrees with the Appellant's assertion. It is noted that Tagawa is directed to a system and method for selling travel related services for products. A traveler desiring to travel to a particular destination would indicate such and thus conveying at least one product description. The product description would at least be a regular ticket or a first class ticket in the same airline or airplane or for the same itinerary wherein each of the regular ticket and first class ticket would have a different price. Thus, these claimed limitations are inherent characteristics within the airline industry or market.

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 31-33, 36-38, 46, 47 and 49-50 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 31-33, 36-38, 46, 47 and 49-50 are non-statutory since they may be performed within the human mind.

The mere recitation of the machine in the preamble with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al.

(10) Response to Argument

Regarding claims 49 and 50, the appellant argues that the Examiner's example of an airline flight having a description thus similar to the claimed product description wherein the airline flight may be for a first class ticket with a first price and a regular seat or ticket with a second price is incorrect because the same product description having different price indicates a different product. If this is the case then the appellant's claims then become confusing as the claims recite one product with one sale prices and the same product with another sale price. In response the Examiner disagrees because the claim calls for a product description which the Examiner interprets as an airline ticket wherein a first class ticket is set at one price and a regular ticket is set at another price. Moreover, an airline ticket may set at one price at a given time and be set at a different price or the same price at another specific time while having the same product description. A first customer making a purchase will select a first class ticket at one price and another customer may purchase the regular ticket at a different regular price. If the two customers agree to pay the sales price for the respective tickets then such will be sold to the customers. Thus, Tagawa meet all the claimed limitations. Furthermore, it should be noted that the instant claims are merely directed to an agreement between a first customer willing to pay for a product at a first price and a second customer willing to pay for a second product at a second price and if so purchase the respective products based on the determined sale price. These are purely agreement between customers and vendors as these types of agreements do not bring

patentable differences apart from Tagawa since Tagawa presents a plurality of products having different sales price to a plurality of customers.

Regarding the 35 USC 103 rejection:

Appellant argues that the Examiner has failed to establish by substantial evidence of record that any of the claimed combinations of subject matter were known or would have been obvious.

In response, the Examiner disagrees with the appellant's assertion. The Examiner had stated that all the claimed limitations were taught by Tagawa with the only difference being the order or timing of the purchase of a product being made by a customer. Receiving an agreement to purchase a product and then selecting a particular product to be sold to the customer from among a plurality of different products conforming to the product description would have been left as an obvious choice or agreement left to the merchant and customer so that the merchant can closely study customer responses and behaviors.

Appellant argues that the timing dependent or functions performed in a specific order as claimed is not taught by Tagawa.

In response, the functions of providing a customer to select a product of purchase is old and well known in the art. A person desiring a specific product would consult a vendor and agree to purchase the specific product may not desire to purchase from among a plurality of products having the same specification of a desired product. There are a number of purchasers who may be unwilling to purchase a different brand name of a particular product although there appears to be no specific advantages or disadvantage of buying any of the known brand names of that specific product. These types of customers are merely loyal customers that believe in a

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particular name brand. Furthermore, assuming a particular traveler having an emergency desires to travel to/from a specific place at a particular date/time and to return on another specific date/time. This particular client may not want to negotiate on the date/time or price of the specific intended travel date/time or intermediary stop(s) regardless of alternative routes or date/time being presented to that particular client, even if such are for a lower fare because that client has an emergency and must travel on a nonstop flight with the intended date/time and place. Other travelers may opt to change or select an alternate departure/return or re-route for the same agreed price or for a different price. Thus, providing different products for a customer to purchase after the customer agrees to purchase a product at a specific price and the customer agreeing to select alternate product of that product description is merely a choice or an agreement left to the service provider/merchant and a customer. This is not a function being performed by a computer or program or structured device. This is merely a human choice left to one or more parties or entities.

Appellant argues that the Examiner has failed to articulate any reason why of only ordinary skill in the art would have found it desirable to provide for the recited combinations of subject matter.

In response, appellant is reminded that the claims are obvious because techniques of presenting a product description encompassing a plurality of products such as an airline product having a set price with a plurality of alternate routes/time with the same departure time/city or a particular product such as "coffee" having a plurality of different brand names with the set price were old and well practiced by vendors when presenting products to their potential customers. This technique was recognized as part of the ordinary capabilities of the one of ordinary skill in

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the vending business as shown in Tagawa and is not beyond the level of the one of ordinary skill in the vending of goods/services. The issue of presenting the plurality of products for selection by the customer after a set or agreed price is merely regarded as a “try-out” or trial by a vendor to see the market reaction. Furthermore, it should be noted that there exists not a specific structure or computer to make that agreement or selection as such is an intended desirability by the customer as such is regarded as an agreement function between two parties, namely the traveler and the airline reservation system or organization as such no unpredictable result will be obtained because the objective is to sell all the airline seats for a particular flight.

The appellant’s statement or argument that the Examiner has not provided any motivation to provide for the timing of the claimed features in presenting a product to be sold to a particular customer.

In response, to a customer, the acceptance of fixing a price for a product not yet seen is only regarded as a choice left to that customer or as an agreement between the customer and a vendor. One of ordinary skill in the art such as a merchant would have been motivated to introduce the plurality of products such as airline flights to a customer at a set price after the customer has agreed to pay for a flight at the set price in order to assure that the less desirable flight schedules from/to a city pair are selected and/or will be sold to a customer thus assuring the specific airline selling those seats with more confidence that most seats will be sold.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner’s answer.

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For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

/Frantzy Poinvil/
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